



**THE IMPACT OF PROMOTION ON SALES PERFORMANCE OF TIRE AT**

**PT. KARYA SUKA ABADI PADANG**

**UNDERGRADUATE THESIS**

**As a partial fulfillment to achieve an undergraduate degree in Management Major**

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**2009**



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**The Impact of Promotion on Sales Performance of Tire at PT. Karya Suka Abadi Padang**

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**ABSTRACT**

Presents the previous research of promotion activities, this research purpose to examine the impact of promotion on sales performance of company. The promotional mix that used in this research are: advertising, sales promotion, publicity and personal selling. The research object is PT. Karya Suka Abadi as the primary distributor of GoodYear tire in West Sumatra. The data is analyzed by some statistical tests: Correlation Test, Determinant Coefficient Test, and Hypothesis Testing. The findings are expected to give contribution to the company in increasing the knowledge about the effect on promotion toward sales performance. It is also expected that this research could give theoretical contribution about the concepts of promotion in small and medium companies and increasing the researcher's knowledge about marketing and promotional mix.

Keywords: Promotion Activities, Sales Performance

Skripsi ini telah dipertahankan di depan sidang penguji dan dinyatakan lulus pada tanggal: 21 Juli 2009.

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# CHAPTER I

## INTRODUCTION

### 1.1 Research Background

The economic activity exists as a response of human nature to survive. The activity provides human with all necessary items that will directly or indirectly support human to preserve their own life. The activity starts from a very simple task to extremely complex and sophisticated process. But, the objective remains the same which is to fulfill the human needs and wants in order to survive.

The increase need of car goes along with the needs of car tire. According to GAIKINDO (Gabungan Industri Kendaraan Bermotor Indonesia), from January to July 2008, the amount of car sold in Indonesia was 353,501 units. This amount was 49.97% increased compared to the same period in 2007 where the number of car sold was 235,703 units. Moreover, in July 2008, automotive market made a new history with the biggest amount of car sold totaling 60,836 units (autos.okezone.com). This shows that the need of cars increased eventhough the price of crude oil and raw material increased and inflation happened. On the basis of this situation, some companies still sees the opportunities in car tire business as challenging and profitable. PT. Karya Suka Abadi Padang as primary distributor of GoodYear since 1998 provides many product items such as:

- a) GT3
- b) Eagle GA Plus
- c) Ducaro GA
- d) Ducaro GD

- e) Eagle NCT-5
- f) Eagle Ventura
- g) Ultra Light Truck Radial
- h) Eagle F1 GSD3
- i) Wrangler HP AW
- j) Light Truck Radial
- k) Ultra Light Truck Bias
- l) Light Truck Bias
- m) Medium Truck Bias

PT. Karya Suka Abadi has many customers from different type such as: Tire Centre, GoodYear Express, Multibrand and individual. The good response of customers indicates the success of PT. Karya Suka Abadi in its marketing strategy. The marketing strategy includes the ingredients of the marketing mix plus all positioning, differentiation, and branding strategies the firm wants to use. The development of GoodYear's sales performance can be seen in the table below:

Table 1.1  
GoodYear Tire's Sales Performance at PT. Karya Suka Abadi Padang  
(2004-2008)

Year	Sales (Rp)	Change (%)
2004	8,257,950,000	-
2005	10,104,205,000	19.94%
2006	12,804,816,000	26.73%
2007	16,985,889,000	32.65%
2008	13,560,239,000	20.17%

Source: PT. Karya Suka Abadi

Table 1.1 shows that the sales significantly increase from 2004 to 2007. The higher sales happened in 2007 when the increasing of sales was 32.65%. However, in 2008 the sales decreased to Rp. 13,560,239,000 or by 20.17% compare to 2007 with the sales of Rp. 16,985,889,000.

## CHAPTER VI

### CONCLUSIONS, RECOMMENDATIONS AND LIMITATIONS OF RESEARCH

#### 6.1 Conclusions

1. The implementation of promotion mix consist of six variables, such as advertising, sales promotion, personal selling, publicity, direct marketing and internet media. PT. Karya Suka Abadi just implement four of them as follows:

##### a. Advertising

- Singgalang Newspaper
- Sushi FM Radio
- Billboard that is placed in front of the office (Veteran) and Prayoga Hall

##### b. Sales promotion

- Participate Padang Fair annually
- Giving the merchandise
- Discount program

PT. Karya Suka Abadi always has the discount program in certain period. The discount program can be distinguished into 2 types:

- ❖ Routine discount program
- ❖ Special discount program

##### c. Publicity

- Internal public
- External public

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